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8- 53117

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**REPORT FOR THE PERIOD BEGINNING May 1, 2007 AND ENDING December 31, 2007
MM/DD/YY MM/DD/YY**A. REGISTRANT IDENTIFICATION**NAME OF BROKER-DEALER: Cammack LaRhette Brokerage, Inc.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

65 William Street, Suite 100

(No. and Street)

WellesleyMassachusetts02481

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

David J. Arthur(781) 237-2291

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Dannible & McKee, LLP

(Name - if individual, state last, first, middle name)

Financial Plaza, 221 South Warren Street, Syracuse, NY 13202

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

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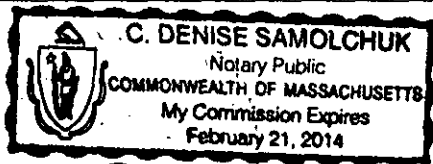
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

I, David J. Arthur, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Cammack LaRhette Brokerage, Inc., as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



David J. Arthur
Signature

Financial Operations Principal
Title

C. Denise Samolchuk
Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

DESIGNATION OF ACCOUNTANT
(Notice Pursuant to Rule 17a-5(f)(2))

(i) Broker or Dealer

Name: Cammack LaRhette Brokerage, Inc.

Address: 65 William Street, Suite 100
Wellesley, Massachusetts 02481

Telephone: (781) 237-2291

SEC Registration Number: 8-53117

FINRA Registration Number: 109906

(ii) Accounting Firm

Name: Dannible & McKee, LLP

Address: Financial Plaza, 221 South Warren Street
Syracuse, New York 13202

Telephone: (315) 472-9127

Accountant's State Registration Number:

(iii) Audit date covered by the Agreement:

12	31	2007
(Month)	(Day)	(Year)

(iv) The contractual commitment to conduct the broker's or dealer's annual audit - - (check one)

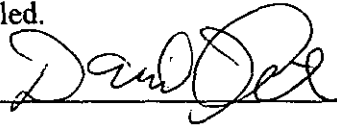
☒ is for the annual audit only for the fiscal year ending 2007 *

☐ is of a continuing nature providing for successive annual audits.

* if this commitment is not of a continuing nature, it will be necessary to file this form each successive year.

Pursuant to Rule 17a-5(f)(2), the above person has been designated as the independent public accountant for the above-mentioned broker or dealer. I understand that, pursuant to SEC Rule 17a-5(f)(1) the Securities and Exchange Commission will not recognize: (a) any person as a certified public accountant who is not duly registered in good standing as such under the laws of his place of residence or principal office; or (b) any person as a public accountant who is not in good standing and entitled to practice as such under the laws of his place of residence or principal office. Lastly, I understand that should the above-mentioned broker-dealer submit an audit by someone not recognized by the SEC as set forth in Rule 17a-5(f)(1), FINRA may deem the audit of the broker-dealer to not have been filed.

Signature: _____



Name: David J. Arthur

(By Firm's FINOP or President)

Title: Financial Operations Principal Date: 2-27-08

CAMMACK LARHETTE BROKERAGE, INC.

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

* * *

DECEMBER 31, 2007

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Income	3
Statement of Changes in Stockholder's Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6
SUPPLEMENTARY INFORMATION	
Schedule of Net Capital	8
Independent Auditor's Report on Internal Controls Required by SEC Rule 17a-5	9



DANNIBLE & MCKEE, LLP

Certified Public Accountants and Consultants

Financial Plaza, 221 S. Warren St., Syracuse, New York 13202-2687
(315) 472-9127 Fax (315) 472-0026

Independent Auditor's Report

February 25, 2008

To the Board of Directors of
Cammack LaRhette Brokerage, Inc.

We have audited the accompanying balance sheet of Cammack LaRhette Brokerage, Inc. (an S Corporation) as of December 31, 2007, and the related statements of income, changes in stockholder's equity, and cash flows for the period from May 1, 2007 to December 31, 2007, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cammack LaRhette Brokerage, Inc. as of December 31, 2007, and the results of its operations and its cash flows for the period from May 1, 2007 to December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule of net capital is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dannible & McKee, LLP

CAMMACK LARHETTE BROKERAGE, INC.

(An S Corporation)

BALANCE SHEET

DECEMBER 31, 2007

Assets

Current assets:

Cash and cash equivalents (Note 1)	\$ 381,424
Commissions receivable (Note 1)	253,840
Prepaid expenses	<u>24,739</u>
Total current assets	660,003

Office equipment, less accumulated
depreciation of \$1,720 (Note 1)

16,337
\$ 676,340

Liabilities and Stockholder's Equity

Current liabilities:

Accounts payable and accrued expenses	\$ <u>8,929</u>
Total current liabilities	<u>8,929</u>

Stockholder's equity:

Common stock; \$1 par value, 1,000 shares authorized, 100 shares issued and outstanding	100
Retained earnings	<u>667,311</u>
Total stockholder's equity	<u>667,411</u>
	<u>\$ 676,340</u>

See accompanying notes to financial statements.

CAMMACK LARHETTE BROKERAGE, INC.

(An S Corporation)

STATEMENT OF INCOME

FOR THE PERIOD MAY 1, 2007 TO DECEMBER 31, 2007

Revenue:

Service fees/commissions	<u>\$ 2,801,110</u>
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Expenses:

Legal and professional fees	15,016
Insurance	18,365
Bank fees	1,540
Depreciation	1,720
Management fees	2,360,000
Investment advisory fees	320,000
Taxes	8,757
Licenses	21,492
Miscellaneous	<u>11,486</u>

Total expenses	<u>2,758,376</u>
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Income before other income	<u>42,734</u>
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Other income (expense):

Interest income	13,757
Other income	<u>35,000</u>
	<u>48,757</u>

Net income	<u>\$ 91,491</u>
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See accompanying notes to financial statements.

CAMMACK LARHETTE BROKERAGE, INC.

(An S Corporation)

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE PERIOD MAY 1, 2007 TO DECEMBER 31, 2007

	<u>Common Shares</u>	<u>Stock Amount</u>	<u>Retained Earnings</u>	<u>Total Stockholder's Equity</u>
Balance at April 30, 2007	100	\$ 100	\$ 575,820	\$ 575,920
Net income	-	-	91,491	91,491
Stockholder's distributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2007	<u>100</u>	<u>\$ 100</u>	<u>\$ 667,311</u>	<u>\$ 667,411</u>

See accompanying notes to financial statements.

CAMMACK LARHETTE BROKERAGE, INC.

(An S Corporation)

STATEMENT OF CASH FLOWS

FOR THE PERIOD MAY 1, 2007 TO DECEMBER 31, 2007

Increase (decrease) in cash and cash equivalents

Cash flows from operating activities: -

Net income	\$ 91,491
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,720
Changes in assets and liabilities:	
Decrease in receivables	182,298
Decrease in due from affiliate	30,000
Decrease in prepaid expenses	27,038
Decrease in other	11,655
Increase in accounts payable	8,727
Decrease in advance from affiliate	(449,315)
Decrease in accrued income taxes	<u>(1,016)</u>
Net cash used for operating activities	<u>(97,402)</u>
Net decrease in cash and cash equivalents	(97,402)
Cash and cash equivalents, beginning of year	<u>478,826</u>
Cash and cash equivalents, end of year	<u>\$ 381,424</u>

See accompanying notes to financial statements.

CAMMACK LARHETTE BROKERAGE, INC.
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of significant accounting policies

Cammack LaRhette Brokerage, Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC"), the Financial Regulatory Authority, Inc. ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). The Company is incorporated in the Commonwealth of Massachusetts and effective February 1, 2007, became a wholly owned Subsidiary of Charles W. Cammack Associates, Inc. (dba Cammack LaRhette Consulting) (the "Parent") pursuant to an acquisition. The Company provides hospitals and other similar non-profit and for profit groups with pension plan design, implementation and ongoing pension related services. The Company receives all of its revenues from other broker-dealers and fund companies.

Revenue recognition - Service fees/commissions are computed: 1) as a percentage of the amount of funds that the employees/employer of the Company's clients invest in their retirement accounts; and 2) as a percentage of the total assets invested by the employee and employer; and 3) fixed fee charges. The amounts are paid to the Company by vendors that sell investment products to the Company's clients. This revenue is recognized by the Company monthly, based on the amounts computed by the vendors.

Cash and cash equivalents - For purposes of the statement of cash flows, the Company considers all short-term investments with a maturity of three months or less when purchased to be cash equivalents.

Office equipment - Office equipment is recorded at cost. Depreciation for financial statement purposes is computed on the straight-line and accelerated methods over the estimated useful lives of the items ranging from five to seven years. For income tax purposes, depreciation is computed using methods and lives prescribed by the appropriate income tax regulations. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of furnishings and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Concentration of credit risk - The majority of the Company's income is derived from service fees/commissions earned from sales of products by a select group of investment companies. Approximately 96% of service fees/commissions earned came from two companies. Approximately 14% of these service fees/commissions were generated from one customer. Outstanding receivables at December 31, 2007, are due principally from investment companies and are unsecured. The Company has cash balances with financial institutions, which are insured by the Federal Deposit Insurance Corporation up to \$100,000. Uninsured balances approximated \$388,000 at December 31, 2007.

Income taxes - The Company is taxed as an S Corporation for Federal and various state income tax purposes, whereby the liability for generally all Federal and state income taxes is assumed by the stockholder whether or not the income giving rise to such taxes has been distributed.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Related party transactions

The Company has entered into management agreements with the Parent. Management fees are charged in consideration of certain operating expenses and other general and administrative expenses incurred on behalf of the Company. For the eight months ended December 31, 2007, the Company was charged by the Parent a total of \$2,360,000 for management fees.

During 2007, the Company entered into an Investment Advisory Agreement for services provided by Cammack LaRhette Advisors, LLC, an entity which is wholly owned by the Parent. For the eight months ended December 31, 2007, the Company was charged \$320,000 for investment advisory services.

Note 3 - Net capital requirements

The Company is subject to the Securities and Exchange Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio exceeds 10 to 1). At December 31, 2007, the Company had net capital of \$618,573, which was \$613,573 in excess of its required net capital of \$5,000. The Company's net capital ratio was .014 to 1 at December 31, 2007.

SUPPLEMENTARY INFORMATION

CAMMACK LARHETTE BROKERAGE, INC.

(An S Corporation)

SCHEDULE OF NET CAPITAL

DECEMBER 31, 2007

Total stockholder's equity	\$ 667,411
Liabilities subordinated to claims of general creditors allowable in computation of net capital under SL5 agreements	<u>-</u>
Total capital and allowable subordinated liabilities	<u>667,411</u>
Non-allowable assets deductions and/or charges:	
Furnishings and equipment	16,337
Prepaid expenses	<u>24,739</u>
Total other deductions and/or charges	<u>41,076</u>
Net capital before haircuts on securities positions	626,335
Haircuts on securities positions:	
Other, Bank of America Money Market account	<u>7,762</u>
Net capital	<u>\$ 618,573</u>
Total liabilities per balance sheet	<u>\$ 8,929</u>
Aggregate indebtedness	<u>\$ 8,929</u>
Computation of basic capital requirement:	
Minimum net capital requirement	<u>\$ 595</u>
Minimum dollar requirement	<u>\$ 5,000</u>
Net capital requirement (the greater of the above amounts)	<u>\$ 5,000</u>
Excess net capital at 1000%	<u>\$ 613,573</u>
Excess net capital at 1500%	<u>\$ 613,573</u>
Ratio - Aggregate indebtedness to net capital	<u>.014</u>

There are no material differences that exist between the computation of net capital and required net capital reported and the broker-dealer's unaudited filing of Part IIA of the Focus Report. Therefore, a reconciliation is not presented.



Independent Auditor's Report on
Internal Controls Required by SEC Rule 17a-5

February 25, 2008

To the Board of Directors of
Cammack LaRhette Brokerage, Inc.

In planning and performing our audit of the financial statements of Cammack LaRhette Brokerage, Inc. (the "Company"), for the period from May 1, 2007 to December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that the assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness; yet important enough to merit attention by those responsible for oversight of the Company's financial reporting.

A *material weakness* is a deficiency or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures as described in the second paragraph of this report, were adequate at December 31, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, the Financial Regulatory Authority, Inc. and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and is not intended to be and should not be used by anyone other than these specified parties.

Dannible & McKee, LLP

END